

## China

China's economy is expected to gradually overcome the negative impacts of the epidemic in the second half of this year, with economic indicators showing improvement amid a raft of supportive policies, according to a report by the Bank of China.

Noting that risks including rising global inflation, geopolitical tensions and volatile international financial markets might continue to weigh on the economic outlook, the report said domestic demand will play a key role in stabilizing the country's growth during the second half of the year.

It added that China's economic fundamentals and potential for long-term growth remain unchanged.

Despite the challenges, the country's employment has remained stable and the price rise has been kept within a moderate range, leaving more room for authorities to maneuver macro policies, according to the report.

Going ahead, the report has suggested leveraging fiscal and monetary policies further to help enterprises tide over difficulties, and expand effective investment and stabilize growth (Bloomberg).

## Cu

Copper fell to the lowest level in 17 months, with metals extending losses as global recession fears continue to damp the demand outlook for commodities.

Sentiment remains sour for the industrial materials used in everything from construction to new energy vehicles. Copper, widely considered an economic bellwether, is trading solidly below \$8,000 a ton, after metals posted their worst quarterly slump since the 2008 financial crisis (Bloomberg).

# Copper Morning Technical (4-hour)



Support		Resistance		Current Price	Bull	Bear
S1	7,895	R1	7,985	7,972	Stochastic oversold	RSI below 50
S2	7,697	R2	8,154			
S3	7,498	R3	8,327			

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA Resistance band (Black EMA's)
- RSI is below 50 (32)
- Stochastic is oversold
- Price is below the daily pivot point USD 7,985
- Technically bearish but in divergence we have seen a small test to the downside in a market that consolidated for most of the day. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting as price is on the daily pivot whilst the RSI is on its MA.
- A close on the 4-hour candle below USD 7,985 with the RSI at or below 30 will mean price and momentum are aligned to the sell side. Likewise, a close above this level with the RSI at or above 34.5 will mean it is aligned to the buyside. Upside moves that fail at or below USD 8,327 will leave the technical vulnerable to further tests to the downside, above this level the technical has a neutral bias.
- Downside moves below USD 7,918 will create a positive divergence with the RSI, warning we have the potential for a momentum slowdown.
- Technically bearish on an Elliott 5th wave, with the RSI nearing oversold levels, we the potential to diverge on a new low. This would suggest we could see a pullback soon, making USD 8,327 and USD 8,538 the key resistance levels to follow.

# Aluminium Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	2,441	R1	2,465.5		
S2	2,417	R2	2,536		RSI below 50
S3	2,380	R3	2,560		

Source Bloomberg

## Synopsis - Intraday

- Price is below the EMA resistance band (Black EMA's)
- RSI is below (42)
- Stochastic is overbought
- Price is below the daily pivot point 2,465.5
- Neutral price action on the back of the U.S holiday yesterday, the futures have moved lower on the Asian open. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 2,465.50 with the RSI at or below 41 will mean price and momentum are aligned to the sell side. Likewise, a close above this level will mean price and momentum are aligned to the buyside. Upside moves above USD 2,536 will create a higher high on the intraday technical, indicating price is in bullish territory.
- Downside moves that hold at or above USD 2,417 will support a bull argument, below this level we target the USD 2,380 low.
- Technically bearish but with a neutral bias, price is moving higher on the back of a positive divergence on what looks to be a 5th wave of this phase, making USD 2,536 a key resistance level to follow. Price is below the EMA resistance band, but this is starting to narrow, warning that the bear trend is becoming less stable. Bearish but there are warning signs on the technical that we have the potential to exhaust.

# Zinc Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	3,002.5	R1	3,242		RSI below 50
S2	2,868	R2	3,316		
S3	2,764	R3	3,416		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (34)
- Stochastic is at 50
- Price is above the daily pivot point USD 3,084
- The upside move in the futures yesterday traded into the shorter period resistance bands before moving lower on the Asian open. The futures are below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle above USD 3,084 will mean price and momentum are aligned to the buyside. Likewise, a close below this level with the RSI at or below 28.5 will mean price and momentum are aligned to the sell side.
- Key resistance remains unchanged, upside moves that fail at or below USD 3,416 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. Our Elliott wave analysis would suggest that upside moves are still considered to be countertrend at this point, making the key resistance to follow at USD 3,629.50. Above this level will warn the current wave cycle has failed, implying the technical has a bullish bias.
- Technically bearish, downside moves below USD 3,002.50 have the potential to create a positive divergence with the RSI, upside moves should be considered as countertrend at this point.

# Nickel Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	21,200	R1	23,030		
S2	21,742	R2	23,615		RSI below 50
S3	19,685	R3	24,860		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (40)
- Stochastic is at 50
- Price is below the daily pivot point USD 22,600
- The futures remain in a bearish Elliott wave 5 with the upside move yesterday failing below key resistance. Price is below all key moving averages supported by the RSI below 50, intraday price and momentum are conflicting.
- A close on the 4-hour candle below USD 22,600 with the RSI at or below 38 will mean price and momentum are conflicting. Likewise, a close above this level will mean it is aligned to the sell side.
- Resistance has been slightly changed to USD 23,615, the technical remains vulnerable below this level and neutral above. Only above USD 25,295 is the intraday technical bullish.
- Technically bearish the divergence will need to be monitored.

# Lead Morning Technical (4-hour)



	Support	Resistance	Current Price	Bull	Bear
S1	1,938.50	R1	1,971		
S2	1,885	R2	1,988		RSI below 50
S3	1,845	R3	2,017.5		

## Synopsis - Intraday

Source Bloomberg

- Price is below the EMA resistance band (Black EMA's)
- RSI is below 50 (48)
- Stochastic is overbought
- Price is above the daily pivot point USD 1,938.50
- Technically bearish but in divergence yesterday with a potential downside target as low as USD 1,080 based on the William's approach. The futures did trade higher but rejected the EMA resistance band with price still below the USD 1,971 resistance. The RSI is below 50 but price and momentum are aligned to the buyside.
- A close on the 4-hour candle below USD 1,938.50 with the RSI at or below 41 will mean price and momentum are aligned to the sell side.
- Technically bearish with price on an Elliott 5th, we have a potential downside target as low as USD 1,804; however, upside moves that trade above USD 1,971 will mean the intraday technical has a neutral bias, whilst above 2,017.5 the technical is bullish.

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